

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Priority Mail Contract 204
(MC2016-114)
Negotiated Service Agreement

Docket No. CP2016-145

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF AMENDMENT TO
PRIORITY MAIL CONTRACT 204

(May 23, 2017)

I. INTRODUCTION

The Public Representative hereby provides comments pursuant to a Commission notice initiating this docket.¹ In that Initiating Notice, the Commission reopens the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service notice to change prices in Priority Mail Contract 204.²

II. BACKGROUND

The Commission approved the original Priority Mail Contract 204 in Order No. 2352, dated February 10, 2015.³ The Postal Service states that “the prices under Priority Mail Contract 204 have changed as contemplated by the contract’s terms”. *Notice* at 1. To support the Notice, the Postal Service filed a redacted copy of the

¹ Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, May 19, 2017 (Initiating Notice).

² Notice of United States Postal Service of Amendment to Priority Mail Contract 204 with Portions Filed Under Seal, May 18, 2017 (Notice).

³ Order Adding Priority Mail Contract 204 to the Competitive Product List, April 11, 2016 (Order No. 3230).

amendment in Attachment A. The amendment is scheduled to become effective two business days after the Commission completes its review of the filing. *Amendment* at 1.

III. COMMENTS

Requirements of 39 U.S.C. § 3633. Pursuant to section 3633(a), prices for competitive products must cover each product's attributable costs, not result in subsidization of competitive products by market dominant products, and ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service.

The Public Representative has reviewed the financial worksheets filed, as well as all other documentation related to the original Priority Mail Contract 204. Based upon that review, the Public Representative concludes that the requested amendment for Priority Mail Contract 204 will continue to generate sufficient revenue to cover costs thereby satisfying the requirements of 39 U.S.C. § 3633(a). Further, the original terms of the contract should help maintain the contract's ability to meet the requirements of 39 U.S.C. § 3633(a) over the lifetime of the contract.⁴ The Commission will also have an opportunity to review the revenue, cost and volume data for the amended Priority Mail Contract 204 in the future Annual Compliance Determination Reports.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

Curtis Kidd
Public Representative

901 New York Ave. NW
Washington, DC 20268-0001
202-789-6881
curtis.kidd@prc.gov

⁴ Contract 204 is subject to early termination provisions. Order No. 3230 at 5-6.